



**California Infrastructure and
Economic Development Bank**

"Financing Facilities That Build Communities"

FOR IMMEDIATE RELEASE

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State Infrastructure Bank Receives Program Upgrade from 'Big Three' Rating Agencies

I-Bank's Series 2014 Bonds Rated AAA by S&P and Fitch, Aa1 by Moody's

Sacramento, Calif. – Executive director of the California Infrastructure and Economic Development Bank (I-Bank) Teveia Barnes today announced that the 'Big Three' credit rating agencies – Standard and Poor's (S&P), Fitch and Moody's – have all awarded top ratings to the I-Bank's approximately \$97 million series 2014A infrastructure state revolving fund (ISRF) bonds, which are expected to be sold next week. The I-Bank's ISRF Program provides loans to finance a wide range of infrastructure and economic expansion projects to local governments other eligible borrowers.

"The across the board upgrade in credit rating for the ISRF program is indicative of Governor Brown's continued commitment to fiscal discipline throughout his administration," said I-Bank Executive Director, Teveia Barnes. "I am honored that the nation's most prestigious credit rating agencies have recognized the I-Bank's hard work to strengthen the credit worthiness of our ISRF loan program."

As a result of the ISRF program improvements, the credit upgrade, and the resulting lower interest rates, I-Bank can fund more projects, fund more communities, and benefit more residents across California. I-Bank invested considerable time and effort to improve the ISRF loan program and its ability to finance essential infrastructure and other local benefits.

All three credit rating agencies recognized "strong program management" as a key factor in their decision. Governor Brown made several key appointments to the I-Bank in 2013, including a new executive leadership team and new appointments to the board of directors. Standard & Poor's Ratings Services assigned its 'AAA' long-term rating to the I-Bank's approximately \$97 million series 2014A ISRF bonds, noting that the outlook is stable.

"The rating reflects our view of the program's extremely strong financial risk score and very strong enterprise risk score," said Standard & Poor's credit analyst Robert Hannay. "The rating further reflects the I-Bank's plan to keep accumulated funds within the ISRF program to make additional loans," Mr. Hannay added.

Fitch Ratings also assigned an 'AAA' rating, similarly citing strong program management. Fitch

noted specifically that, “program management adheres to a formal underwriting policy which includes, among other things, minimum coverage requirements for most borrowers. To date, there have been no pledged loan defaults in the ISRF program.” In October 2013, the I-Bank amended the ISRF loan criteria to broaden participation of communities, increase access to capital and finance additional projects.

Moody’s cited a number of factors including program management and the program’s ability to withstand defaults by loan recipients while I-Bank could continue to pay ISRF bondholders. The credit ratings are applied specifically to the approximately \$97 million in bonds being sold to refund prior bonds and to fund new loans to communities throughout California. The I-Bank is scheduled to sell its ISRF bonds the week of January 20th.

The full announcements from each agency can be found here:

[Fitch's Press Release](#)

[Standard and Poor's Press Release](#)

[Moody's Press Release](#)

About the California Infrastructure and Economic Development Bank: *The I-Bank was created in 1994 to finance infrastructure and economic development that promote a healthy climate for jobs, contribute to a strong economy and improve the quality of life in California communities. The I-Bank is located within the Governor's Office of Business and Economic Development and is governed by a five-member Board of Directors. The I-Bank has broad authority to issue tax-exempt and taxable bonds, provide financing to public agencies and nonprofit organizations, provide credit enhancements, acquire or lease facilities, and leverage State and Federal funds. Find more information at: <http://www.ibank.ca.gov>.*